U.S. Issues Directive to Halt Release of 'Sensitive' Data

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Special to The New York Times

WASHINGTON, Nov. 12 — The Reagan Administration has issued new guidelines to Federal agencies on restricting the release of a broad range of Government data that are unclassified but considered "sensitive," a high-ranking Defense Department official said Wednesday.

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The official, Donald C. Latham, Assistant Secretary of Defense for command, control, communications and intelligence, said the directive did not give Federal agencies new authority to restrict documents but "iust provides guidance for Federal agencies as to what is considered sensitive information even though it is not classi-

Mr. Latham said a wide range of documents involving national security, military or foreign relations could fall into such a category. They could include medical, Social Security and Internal Revenue Service records, he said, as well as information about crops from the Agriculture Department.

The directive was signed Oct. 26 by Vice Adm. John M. Poindexter, the

President's national security adviser, according to Mr. Latham. He said Mr. Poindexter was authorized to sign the memorandum under National Security Decision Directive 145, issued by President Reagan in September 1984, to give the Defense Department a major role in curbing release of material that is "unclassified but sensitive information that could adversely affect national security."

The Presidential order created an interdepartmental group, headed by Mr. Latham, that has been examining ways to limit access to unclassified informa-

tion through private and public data banks.

"I think it's a fairly key memorandum from a policy perspective," Mr. Latham said. "It provides for the first time a definition of what is considered unclassified."

A Process of Definition

While some data may be unclassified, Mr. Latham explained, they could have national security implications when viewed in the context of other unclassified data.

"It's an outgrowth of defining a set of information that in the aggregate is sensitive whereas each individual degree of it is not," he said.

Mr. Latham, responding to an article in Thursday's issue of The Washington Post, emphasized that although the memorandum called for restricting access to "sensitive" information that had been considered unclassified, "it does not create another new classification" for Government documents. He said his panel had no intention of creating such a new category.

The directive to Federal agencies is one of several measures that Mr. Latham said his committee was considering to restrict the flow of information, particularly from computerized data banks, to the Soviet bloc.

One Pentagon official, discussing the project on condition that he not be identified, told The Associated Press that the study initially focused on two Government-run services, the Defense Technical Information Center and the National Technical Information Service. But the study now encompasses private electronic data banks, according to officials of concerns that operate such banks.

Some of the data banks contain items ranging from news articles to highly technical scientific research papers.

Action Is Questioned

"They were all asking questions about whether we can deny access," Jack W. Simpson, president of Mead Data Central Inc., told The A.P. Mead is a major commercial operator of computerized data banks such as Nexis, which catalogues news articles from a variety of publications, including The New York Times and other general newspapers.

"We don't believe they have a right to put a muzzle on us, and we don't believe these are the right folks to make such decisions," Mr. Simpson said. "They are apparently suggesting monitors and controls on electonic distribution systems in the private sector to control informatn going to the Soviets"

The issue of restricting access to data was raised Tuesday night at a convention in New York of the Information Industry Association. Diane Fountaine, director for information systems in the office of Mr. Latham, a speaker at the convention, was quoted as telling the audience that "The question is not will there be restrictions or controls on the use of commerically available on-line data bases. The question is how will such restrictions or controls be applied?"

In an appearance last year before a House committee, Mr. Latham testified that a the failure of both the Government and private organizations to protect their computerized communications networks posed a threat to national security.

The United States, he said, was "being bled to death by people taking our technology."

The move to place further security restrictions on unclassified documents comes at a time when numerous studies have recommended reducing the amount of classified data. Counterintelligence experts have said that the more documents that are classified, the less people take such a label seriously.

The total number of decisions to classify data rose by 14 percent from 1984 to 1985, to a total of more than 22 million, according to an annual report by the Information Security Oversight Office.